

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 02-0546P  
Gross and Adjusted Gross Income Tax  
For Fiscal Year Ended September 30, 2001**

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

**ISSUE(S)**

**I. Tax Administration – Penalty**

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer protests the proposed penalty assessment for the late payment of its income tax. The due date of the return was January 31, 2002. Taxpayer filed its return late with payment of seventy-eight percent (78%) of its tax liability. The Department issued its late payment assessment on August 14, 2002.

Taxpayer filed a penalty protest letter dated September 16, 2002 and states that the estimated Indiana apportionment percentage was lower than the actual percentage determined during the preparation of the final Indiana Corporation Income Tax Return.

**I. Tax Administration – Penalty**

**DISCUSSION**

Taxpayer protests the penalty assessed and states that it has historically computed and paid Indiana income tax on a timely and accurate basis. Taxpayer further states it made an error in computing its apportionment percentage.

Taxpayer did not make payment by the original due date of the return as required under IC 6-8.1-10-2.1 (a)(2). The penalty is ten percent (10%) of the amount of the tax not paid, if the person fails to pay the full amount of tax shown on the person's return on or before the due date for the return or payment.

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Taxpayer made approximately seventy-eight percent (78%) of its tax payment after the due date of the return and has not provided reasonable cause to allow the Department to waive the penalty.

**FINDING**

Taxpayer's protest is denied.

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